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MEMORANDUM FOR: Deputy Director for Intelligence
FROM: Director of Central Intelligence

1. Last night Leo Cherne called to say that he and the members of his economic subcommittee on the PFIAB were impressed by the global estimate. They believe that this was the kind of thing that CIA should have been doing for some time and encouraged building on the pattern of that estimate.
2. This morning I saw the estimate on Foreign Civil Technology Competition. It is another good piece of work in the same style. It is not yet broad enough. It should be extended to metallurgy and synthetic resources and biological and chemical activities.
3. As you know, it was like pulling teeth for over a year to get this out of our economists. They just don't know that language. Whatever was accomplished came out of those working on civil technology in OSWR.
4. After all this I now don't want to see that group submerged into a group primarily doing work, which is important but different, in international trade and finance and economic assistance and Third World issues.
5. It is my impression that the OGI work on Free World policy, etc., is a cumbersome effort much too bogged down in macroeconomic thinking. When the consultants for this project were in for a seminar a few weeks ago, I made it my business to do a five-minute sweep of the thinking of each of the consultants. I found it focused very narrowly indeed on which national system is likely to work the best--the relatively free market system in the United States, a tight industrial policy system, or the hybrid model as the Japanese system might be characterized. Although this is important and should be looked at, it is really not what we're after. We can't get very far soon in looking at economic systems and what might be done about them. What we need to do is look at technologies, the state of their development, their economic implications, what we can do to compensate for any lag in specific technologies and the degree of effort that the national security and competitive consequences of any lag may call for. Therefore, I am very anxious to have the best people working on the industrial analyses under [redacted] and the people who produced the recent Foreign Civil Technology Competition paper now located under [redacted] brought together to carry on and build on the work of the global economic assessment. They should not be buried under the former leadership of the Office of Economic Research which I spent a year trying to prod into doing the global assessment and then got virtually nothing out of. Whether we have to go outside or put somebody in the OSWR civil technology group in charge, let's have a little competitive assessment inside DI.

William J. Casey L204A
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